

**UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF RHODE ISLAND**

STATE OF RHODE ISLAND, et al.,

Plaintiffs,

v.

DONALD J. TRUMP, et al.,

Defendants.

C.A. No.:

DECLARATION OF MONICA S. VILLALOBOS

Pursuant to 28 U.S.C. § 1746, I, Monica S. Villalobos, hereby declare as follows:

1. I am a resident of the State of Arizona. I am over the age of 18 and have personal knowledge of all the facts stated herein, except to those matters stated upon information and belief; as to those matters, I believe them to be true. If called as a witness, I could and would testify competently to the matters set forth below.

2. I am currently employed by the Arizona Hispanic Chamber of Commerce (AZHCC) as President and CEO. The AZHCC was established in 1948 and is a non-profit with 501c6 Association, 501c3 Foundation, and 501c4 PAC tax designations. It has a governing board of 40 Directors, membership of 1,200 small businesses, and 106 corporate partners.

3. Since 1997, the AZHCC Foundation has operated the Arizona MBDA Business Center, formerly the Phoenix MBDA Business Center (“the Center”). The AZHCC’s operation of the Center is made possible through a five-year grant funded through the Department of Commerce administered through the MBDA, which has been renewed for every grant cycle.

4. I submit this declaration in connection with Executive Order 14,238, “Continuing the Reduction of the Federal Bureaucracy,” which directed seven federal agencies, including the Minority Business Development Agency (MBDA), to eliminate any non-statutory components and functions to the maximum extent consistent with applicable law, and to reduce the performance of any statutory functions and associate personnel to the minimum presence and function required by law.

5. The MBDA is the primary federal agency tasked to assist Minority Business Enterprises (MBEs) in overcoming the history of social and economic disadvantage that has limited their participation in America’s economy.

6. Pursuant to an agreement with the MBDA, the AZHCC Foundation operates the Center to foster the growth, expansion, and competitiveness of Arizona businesses by assuring access to credit, capital, markets, and consultation (business and professional) collateral, and other resources. Among the services the Center provides are:

- a. Access to capital through facilitation of access to loans, working capital and lines of credit, loan packaging, and increase in bonding capacity;

- b. Access to markets through bid opportunities by subscribing to numerous bid databases and providing opportunities to clients;
- c. Capacity building through customized business consulting services, development of growth strategies, creating strong capability statements, certification assistance, teaming arrangements, and business mastery workshops;
- d. Market research; and
- e. Export readiness assessments.

7. In providing those services, the Center is currently assisted by the Department of Commerce's provision of a grant to the Center in the amount of \$2 million, covering the period running from July 1, 2021 through June 30, 2026. This grant award is administered by the MBDA and disbursed annually in the amount of \$400,000. The Center is in the fourth year of this grant cycle, which ends June 30, 2025.

8. If Congress does not approve next year's disbursement to cover the period from July 1, 2025 through June 30, 2025, or the MBDA and/or its functions are eliminated, the Center will have to cease operations in June 2025.

9. In my opinion, the MBDA's services outlined above are critical for the development of MBEs in Arizona. The impact of ending or losing MBDA funding and having to close operations of the Center will have significant adverse impacts on Arizona given its economic impact throughout the state, as demonstrated by the impact the Center has had just within this five-year grant cycle so far.

10. A glimpse at the Center's impact in this grant cycle, touching on procurement, financials and job creation is as follows:

- a. Procurement (i.e., access to contracts): Between 2020 and 2024, the Center was able to facilitate the procurement of contracts valued at a total of \$901,298,563, exceeding a goal of \$335,000,000.
- b. Financials (i.e., access to financing): Between 2020 and 2024, the Center facilitated access to financing to a tune of \$60,546,880.
- c. Job Creation (i.e., jobs created by the Center's work): Between 2020 and 2024, the Center facilitated the creation of 2,677 new jobs in Arizona, nearly doubling its goal of 1,353 new jobs.

11. In 2019, the AZHCC Foundation was also awarded the American Indian, Alaska Native, and Native Hawaiian (AIANNH) project ("AIANNH Project NABEDC"), which receives funds from the Department of Commerce administered through the MBDA. Through the AIANNH Project NABEDC, the AZHCC Foundation serves the noted communities in Arizona, Nevada, Utah and Southern California. The annual award for this project administered by the MBDA is \$300,000, with the current grant cycle running through August 31, 2025.

12. The AIANNH Project NABEDC's services include training, capital access, United States Federal procurement assistance, networking & relationship management, partnership agreement, strategic infrastructure and economic planning assistance, and education for entrepreneurs, existing business owners, and tribal entities. Project NABEDC has been assisting businesses scale, increase capacity and revenue and create and retain jobs through regional, national, and international expansion by providing business development services, one-on-one technical assistance, and outreach to existing and prospective NABEDC clients throughout tribal and rural communities in Arizona, Nevada, Utah and Southern California. In fiscal year 2023—

2024, 180 clients were served facilitating \$152,391,185 in contracts and projects, and \$22,861,032 in grants, loans, and performance bonds.

13. The AIANNH Project NABEDC grant is awarded on an annual basis and no request for proposal has been issued at this time. Without funding going forward, the AZHCC Foundation will not be able to provide services under the AIANNH Project NABEDC.

14. In 2022, the AZHCC Foundation was awarded the Capital Readiness Program (“CRP”) grant, in the amount of \$3,000,000 for over four years. The grant was awarded from the U.S. Department of Treasury to the AZHCC Foundation and administered through the MBDA. The CRP grant is to provide funding through 2026. Without continuation of this funding, the AZHCC Foundation will not be able to provide services beyond this grant cycle. In fiscal year 2023-2024, the Arizona CRP program served 769 clients and facilitated \$17,806,989 in access to capital.

15. If the MBDA ceases to function in a meaningful way, in my opinion, the aforementioned services and projects will also cease, causing significant economic loss to Arizona and its residents. Arizona will also suffer substantial immediate and long-term economic consequences from what would necessarily be the shuttering of the three federally funded centers/programs the AZHCC Foundation operates.

I declare under penalty of perjury under the laws of the United States that, to the best of my knowledge, the foregoing is true and correct.

Executed on April 4, 2025, at Phoenix, Arizona.



Monica S. Villalobos